

ANALYSIS OF AMENDED BILL

Author: Brewer Analyst: Roger Lackey Bill Number: AB 1906
Related Bills: None Telephone: 845-3627 Amended Date: 05-12-98
Attorney: Doug Bramhall Sponsor: _____

SUBJECT: FTB Representative Participate On The Electronic Recordation Task Force

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED _____ STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY OF BILL

This bill would provide that the California Attorney General shall appoint an Electronic Recordation Task Force consisting of voluntary representatives from governmental agencies and industry groups. Also, this bill would provide that notices of federal tax liens may be transmitted, filed, recorded and indexed by electronic or magnetic means.

This bill also contains provisions regarding the recording of information in San Bernardino County and Orange County. These provisions do not impact the Franchise Tax Board and will not be addressed in this analysis.

SUMMARY of AMENDMENT

The May 12, 1998, amendment provided that the California Attorney General shall appoint the Electronic Recordation Task Force and require that the task force shall report to the Governor and Legislature by January 1, 2000. The amendment also added the risk of forgery to the risks associated with electronic recordation in connection with the recommendation regarding who should be authorized to digitize and record documents electronically.

The earlier April 30, 1998, amendment added the provisions discussed in this analysis.

DEPARTMENTS THAT MAY BE AFFECTED:

___ STATE MANDATE

___ GOVERNOR'S APPOINTMENT

Board Position:

___ S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
___X___ PENDING

Agency Secretary Position:

___ S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
DEFER TO _____

GOVERNOR'S OFFICE USE

Position Approved ___
Position Disapproved ___
Position Noted ___

Department/Legislative Director Date
Gerald H. Goldberg 5/21/98

Agency Secretary Date

By: Date:

EFFECTIVE DATE

This bill would be effective January 1, 1999.

SPECIFIC FINDINGS

This bill would provide that existing law shall be applied and construed to permit the transmission, filing, recording and indexing of federal tax liens and other certificates and notices relating to those liens, by electronic or magnetic means. Electronic and magnetic means would include computerized data processing, telecommunications, and other similar available technologies.

This bill would establish the Electronic Recordation Task Force (ERTF) appointed by the California Attorney General and consisting of voluntary representatives from governmental agencies and industry groups, including county recorders, county district attorneys, the Franchise Tax Board, Fannie Mae, the United States Internal Revenue Service, trustees, mortgage bankers, financial institutions, and the title insurance and real estate industries.

This bill would require that the ERTF meet on a regular basis to address the technical, legal, security and economic issues associated with electronic recordation.

In addition, the ERTF would be required to recommend which persons and entities should be authorized to digitize and record electronic documents, and guidelines for the standardization of both hardware and software used for the electronic recordation process.

Implementation Considerations

The department currently sends digitized recordable documents to the recorders' offices in San Bernardino and Orange counties, and also members of the department's Special Procedures section have been attending meetings regarding an Electronic Recordation Task Force Team. Therefore, implementing this bill would not significantly impact the department's programs and operations.

FISCAL IMPACT

Departmental Costs

Since the department sends digitized recordable documents to the recorders' offices in both San Bernardino and Orange counties, and the department currently is participating in meetings regarding ERTF, the department's costs are not expected to be significant.

Tax Revenue Estimate

This bill would not impact the state's income tax revenue.

BOARD POSITION

Pending.